

Unit 1: Foundational Knowledge in Marketing Principles Note Taking Guide

Unit Standards:

MKT-MP-1 Examine marketing principles in relation to the free enterprise system and the global environment.

MKT-MP-3 Acquire foundational knowledge of marketing concepts to understand the scope and impact of marketing on the economy.

Essential Questions:

- ☒ Why is being able to analyze a target marketing important?
- ☒ How do different aspects of marketing interact with each other to create successful marketing?

Marketing is:

"The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives."

In other words...the process of developing, promoting, and distributing products in order to satisfy customers' needs and wants.

Some Important Vocabulary Words

- ☒ **Marketing**-The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives
- ☒ **Marketing mix**-the fundamental elements of marketing—product, price, place, and promotion (also called the 4Ps)
- ☒ **Marketing concept**- The idea that you must satisfy a customers' needs and wants in order to make a profit
- ☒ **Functions of marketing**- There are seven basic functions of marketing: Distribution, Financing, Marketing information management, Pricing, Product/service management, Promotion, and Selling
- ☒ _____ - a specific group of people that are possible consumers of a product
- ☒ **Market segmentation**-Analyzing a market by specific characteristics in order to create a target market
- ☒ **Demographics**- Market segmentation based on a target market's personal characteristics. Includes:gender,age,income level,occupation,ethnic background, and education level
- ☒ _____ - Market segmentation based on where your target market lives. Includes: local markets, regional markets, national markets, and global markets
- ☒ **Psychographics**- Market segmentation based on your target market's lifestyles and personality characteristics. Includes: attitudes, values, activities and interests

The Marketing Mix- 4P's of Marketing

The [marketing mix](#) is also called the "4Ps"

- ☒ _____

- ☒ Price
- ☒ Place
- ☒ Promotion

The Marketing Mix- Product

Product decisions include answers to the following questions:

- ☒ _____
- ☒ When to make it
- ☒ Level of quality
- ☒ _____
- ☒ How to package and label

The Marketing Mix- Price

The cost at which a customer will buy and at which a _____ will sell.

The Marketing Mix- Place (or Distribution)

How a product will get from the producer to the consumer.

- ☐ • ☒ Channels of distribution
- ☐ • ☒ _____
- ☐ • ☒ Retailing
- ☐ • ☒ Physical Distribution
- ☐ • ☒ _____

The Marketing Mix- Promotion

Create and stimulate demand for products by informing people about them.

- ☐ • ☒ Advertising
- ☐ • ☒ _____
- ☐ • ☒ Sales Promotions
- ☐ • ☒ Personal Selling
- ☒ _____

Benefits of Marketing

- ☒ _____
- ☒ Adds utility to goods and services.

☒ Makes buying convenient.

☒ Maintains reasonable prices.

☒ _____

☒ Provides a variety of goods and services.

☒ Increases production.

Where does Marketing occur?

All types of businesses use [marketing](#):

☒ _____

☒ Wholesalers

☒ _____

It occurs in service-selling _____.

☒ Banks, Real estate agencies, Hospitals, Dentists, Hotels/Motels, etc...

It occurs in nonprofit _____.

☒ Churches, Universities, Labor unions

Marketing ... _____

Marketing provides the means for the exchange process.

An _____ takes place every time something is sold in the marketplace.

In what ways does marketing affect you every day?

The Seven Functions of Marketing

1. _____ -

Obtaining goods and services for use in the operation of a business or for resale.

2. _____

The determination of an exchange price at which the buyer and seller perceive optimum value for a good or service.

3. _____

The process of creating a product in response to market opportunities.

4. _____

Gathering, recording, analyzing and disseminating information to aid in making marketing decisions.

5. Promotion

Communicates information about products, services, images or ideas to customers or clients to influence their purchase behavior.

6. Financing

Determining the need for and availability of financial resources to aid in marketing activities.

7. _____

The physical movement or the transfer of ownership of a good or service from the producer to the consumer.

Marketing Concept

- ☒ To succeed in business, managers must base their decisions on the needs and desires of consumers.
- ☒ Businesses must give c_____
- ☒ The idea that you must satisfy a customers' _____
- ☒ Businesses must have the right goods and services at the right time, at the right price and at the right place. Plus they must communicate this to their customers.

Elements of the _____

Customer _____

Businesses must determine how they can produce items people want and how can they do that more effectively.

Base decision-making about products on customer's needs and wants.

Company Commitment

An organization that applies the [marketing concept](#) must focus all of its efforts on satisfying customer needs.

The marketing concept must become a part of the entire organization.

Company _____

A company should achieve its goals by giving _____ what they want.

Companies exist by achieving their long term goals- not by making quick sales and not achieving customer needs and wants.

Why is Marketing Important

- ☒ Increased production _____.
- ☒ Increased _____ power of consumers.
- ☒ Need for coordinating production and consumption.
- ☒ One-third of all workers are in marketing jobs.
- ☒ Majority of businesses in the US are _____-type businesses.

- ☒ Fifty cents of every sales dollar goes to cover the costs of marketing.

Without Marketing. . .

- ☒ Increased personal contact with _____.
- ☒ Less variety in products.
- ☒ Fewer product improvements.
- ☒ Fewer products _____.
- ☒ Increased stock shortages or overages.

Why Study Marketing?

. . . to understand _____

. . . to learn interpersonal skills

. . . to perfect _____

Target Marketing

Involves focusing marketing decisions on a specific group of people you want to reach with your _____.

What is a Market?

A _____ is defined as a group of customers who are qualified to make purchases of products or services that a marketer is able to offer

In simpler terms...a market is a group of people that share similar needs and wants and that can purchase a certain _____.

For example, a student might want a Porsche for their first car but probably would not be considered to be part of the market for a Porsche because few students have the \$\$\$ to buy a Porsche. Probably, the student would be part of the market for a Honda Civic.

Market Segmentation

Analyzing a market by specific characteristics in order to create a _____.

Once a target market is identified, a business can customize its products and marketing strategies to that specific group of customers.

To do this, businesses may segment a market by _____, [psychographics](#), [geographics](#), and product benefits.

Do you feel like a target? You should...

You are a HUGE target for marketers with products like MP3 players, cars, jeans, shoes, and phones.

Demographic Segmentation

[Market segmentation](#) based on your [target market](#)'s personal characteristics. This includes:

☐ _____

☐ age

☐ income level

☐ _____

☐ ethnic background

☐ education level

You are part of a demographic group called, among other things, "millennials." There are about 80 million of them, born between 1980 and 1995, and they're rapidly entering the work force--and changing the rules as they do.

Psychographic Segmentation

_____ based on your [target market](#)'s lifestyles and personality characteristics. This includes:

☐ attitudes

☐ values

☐ _____

☐ interests

Geographic Segmentation

[Market segmentation](#) based on where your [target market](#) lives. This includes:

☐ _____

☐ regional markets

☐ national markets

☐ _____

Benefit Segmentation

[Market segmentation](#) based on benefits your [target market](#) expects to receive or gain from products. This includes:

☐ added protection

☐ _____

☐ special needs

☐ stage in family _____

